

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **November 26, 2002 Work Session**

AGENDA ITEM NO.: 3

CONSENT:

REGULAR:

CLOSED SESSION:
(Confidential)

ACTION:

INFORMATION:

ITEM TITLE: **Region 2000 Regional Commission Resolution Supporting Tax Reform**

RECOMMENDATION:

Support and endorse Region 2000 Regional Commission Resolution Supporting Tax Reform.

SUMMARY:

The Region 2000 Regional Commission is requesting City Council's support and endorsement of their Resolution adopted on October 17, 2002, supporting tax reform. The Commission is also requesting that City Council convey to area legislators at their legislative meeting on December 5, City Council's support and endorsement of this Resolution.

PRIOR ACTION(S):

None

BUDGET IMPACT:

None

CONTACT(S):

C. W. Gillespie, Jr. 845-3491

ATTACHMENT(S):

- † Region 2000 Regional Commission Resolution
- † Region 2000 Regional Commission 2003 Legislative Agenda
- † Press Release

REVIEWED BY: lkp

REGION 2000 REGIONAL COMMISSION

RESOLUTION SUPPORTING TAX REFORM

WHEREAS, the Region 2000 Regional Commission, representing the ten local governments in Central Virginia, recognize the Commonwealth is currently experiencing a recession and as such suffering from a substantial decrease in state revenues, and

WHEREAS, this revenue reduction has caused the Commonwealth to consider significant reductions in the financial contributions toward State responsible programs delivered at the local level in order to balance the budget, and

WHEREAS, these reductions will continue to inflict financial pressures on the local government's ability to maintain local programs and services that contribute significantly to the quality of life of its citizens, and

WHEREAS, the local governments, representing the Central Virginia area, do hereby affirm that this continued reduction in the Commonwealth's constitutional responsibility for the funding of mandated and State responsible programs will have a corresponding effect via a reduction in the local government's ability to continue to subsidize these programs with local dollars, and

WHEREAS, the Regional Commission strongly insists that the 2003 General Assembly actively demonstrate aggressive and deliberate leadership to address the unrealistic expectation that local government continue to fund the obligations of State government by the enactment of meaningful legislation that addresses this issue, and

WHEREAS, it is the consensus of the membership of the Regional Commission that the accepted practice of the Central Virginia localities continuing to utilize their local taxing authority to raise local revenues to subsidize programs that are clearly obligations of the Commonwealth cannot be continued.

NOW THEREFORE BE IT RESOLVED, that the localities of the Central Virginia area unanimously agree that the continuing utilization of existing local financial resources and/or new revenues raised through increased taxation at the local level to subsidize State responsible programs is no longer acceptable.

BE IT FURTHER RESOLVED, that the localities of the Central Virginia area will not absorb any financial shortfalls of the Commonwealth at the local level unless there is documented evidence that the local government is unable to perform its constitutional responsibilities to its respective community or there is visible support from the majority of the local constituency for the reuse of local tax dollars or an increase in local taxation to support these programs.

Adopted this 17th day of October of 2002

BY: Carl Hutcherson
Carl B. Hutcherson, Mayor, City of Lynchburg
Chairman, Region 2000 Regional Commission

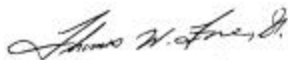
ATTESED:



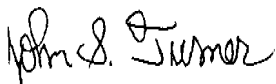
C.W. Gillespie Jr., Secretary



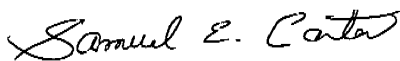
J. R. Burgess
Mayor, Town of Altavista



Thomas W. Fore, Sr
Chairman, Amherst County Board of Supervisors



John S. Turner
Mayor, Town of Amherst



Samuel E. Carter
Chairman, Appomattox County Board of Supervisors



Ronald C. Spiggle
Mayor, Town of Appomattox



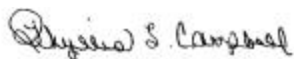
Dale Wheeler
Chairman, Bedford County Board of Supervisors



G. Michael Shelton
Mayor, City of Bedford



Hugh T. Pendleton
Chairman, Campbell County Board of Supervisors



Phyllis L. Campbell
Mayor, Town of Brookneal

REGION 2000 REGIONAL COMMISSION

***SERVING THE CITIES OF LYNCHBURG AND BEDFORD, THE
COUNTIES OF AMHERST, APPOMATTOX, BEDFORD, AND
CAMPBELL, THE TOWNS OF ALTAVISTA, AMHERST,
APPOMATTOX, AND BROOKNEAL***

LEGISLATIVE AGENDA

2003 GENERAL ASSEMBLY SESSION

Adopted by the Regional Commission October 17, 2002

REGION 2000 REGIONAL COMMISSION

The Region 2000 Regional Commission, representing the 10 local governments in Central Virginia, request that our legislative representatives incorporate the following principles into their decision making process as they evaluate, deliberate, and vote on legislative/budgetary issues that will be presented for consideration in the 2003 General Assembly session:

- Fully fund State Aid to Localities
- Oppose legislation that would reduce local revenues or diminish local taxing authority
- Support a comprehensive overhaul of state-local tax structure and service responsibilities
- Support/preserve local authority to serve their citizens

TAX RESTRUCTURING AND EDUCATION FUNDING

- The Regional Commission strongly supports the continued efforts of the joint committee to address the issue of tax restructuring in the Commonwealth. The Regional Commission insists that this issue be made the number one priority of the 2003 General Assembly session. The Regional Commission does not support any tax restructuring changes that would restrict or otherwise reduce existing local taxing authority.
- The Regional Commission supports the recommendation of the joint committee on tax restructuring for a moratorium on any additional unfunded state mandates. The Regional Commission also proposes that the state move forward with the 100% funding of current mandated programs such as CSA, VJCCCA, jails, etc.
- The current formula for education funding should be eliminated and replaced with a new formula that would be based on the cost of education services and at-risk student levels. The structure of the new formula would acknowledge the cost differentials across the state and discourage inefficiencies in education spending.
- In addition to existing state aid to localities, the Regional Commission supports legislation that would allocate a portion of the state income tax to the localities as net new revenue for their unrestricted use.

TELECOMMUNICATIONS TAXES

The Regional Commission supports the establishment of a dialog between the legislature and the telecommunications industry and the effects this proposal will have on localities. The Regional Commission cannot support changes in the tax structure until the joint

study subcommittee under HJR 60 has completed its work and a determination of how these proposed changes will fold into the overall tax restructuring recommendations. The Regional Commission does not support tax reforms that will ultimately reduce revenues to local governments.

SOLID WASTE SURCHARGE

The Regional Commission does not support any attempts to impose a state solid waste tipping fee or surcharge on localities.

ENCOURAGEMENT OF REGIONAL COOPERATION

The Regional Commission strongly suggests that existing as well as proposed legislation providing funding for localities gives preference to those localities that develop regional coalitions. The current funding requirements for localities applying for assistance under various state programs does not give sufficient weight and preference to those regions that consistently work together, particularly in the area of economic development. This approach would provide greater support to the original intent of the Regional Cooperation Act by encouraging localities to work together on a regional basis.

Regional Commission

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Serving the

COUNTIES OF:
Amherst
Appomattox
Bedford
Campbell

TOWNS OF:
Altavista
Amherst
Appomattox
Brookneal

CITIES OF:
Bedford
Lynchburg

October 30, 2002

FOR IMMEDIATE RELEASE

Contact: C. W. Gillespie, Jr.
Executive Director
(434) 845-3491

RE: Education and Tax Reform In Virginia

The Region 2000 Regional Commission, at its October 17, 2002 meeting, adopted its legislative agenda for the 2003 session of the General Assembly. The elected officials representing the 10 local governments in Central Virginia voiced their frustrations with the General Assembly and their unwillingness to address Virginia's antiquated tax structure. Local governments are utilizing the local real estate tax to generate the majority of its revenue for local programs. The continued cost shifting of state responsible programs to local governments has inflicted tremendous fiscal pressures on that revenue source. The General Assembly has been looking into tax and education reform since 1999 and to date they have basically ignored the issue. While studies and recommendations lie dormant on the shelf collecting dust the local governments are being asked to bear the brunt of the budget woes at the State level. This agenda, coupled with a companion resolution, insists that the General Assembly accept its financial responsibility and recognize that State

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mandates and State responsible programs should not be funded with local dollars. Presentations will be made to all of the local government boards/councils in the Central Virginia area over the next several months in an effort to inform the general public as to what this ultimately means to them and their local tax burden.

Copy of Resolution Attached

CC: Regional Commission Members
(Cities of Bedford & Lynchburg, Counties of Amherst, Appomattox, Bedford
& Campbell, Town of Altavista, Amherst, Appomattox & Brookneal)